



## 2008/09 Budget Change Proposals

### Action Item

Recommendation: Approve Budget Change Proposal #1  
for Mainframe Processing Capacity Growth

### Background

**Customer program growth impacts the data center workload.** As customer programs grow, the related data center infrastructure also grows. Examples of customers who continue to grow are: BOE, CalSTRS, CDCR, CDSS, DMV, DHS, EDD, and SCO.

**Internal Service Fund.** The Department of Technology Services (DTS) is an internal service fund (special fund) department. The Department operates from the DTS Revolving Fund and has little or no impact upon the General Fund. Spending authority is approved annually for the operation of DTS and then we are required to fully recover those costs through billing the customers for their usage of services at our published rates.

**Mainframe Capacity.** The DTS is requesting an increase in expenditure authority of \$4,654,000 for FY 2008/09 in order to purchase additional mainframe processing capacity to meet anticipated customer needs. This includes an increase of 7.0 staff positions for existing and projected mainframe capacity related workload increases.

The DTS requests authority to spend \$1,303,000 in one-time costs for capacity and continuing costs of \$2,574,000 for associated software licensing fees, \$749,000 for 7.0 staff positions, and \$28,000 for other operating expenses.

### Discussion

In order to protect the citizens of California from the loss of essential programs and services this Budget Change Proposal (BCP) requests approval for the responsible and cost-effective growth of processing capacity. Failure to approve this request for capacity upgrades and staffing that are needed to accommodate the planned and projected growth of DTS customer systems will jeopardize customer operations and degrade the programs that our customers support. The health, life, and safety of the citizens of California will unnecessarily be placed in danger by allowing customer applications that support law enforcement and other essential public services and programs to become outdated and increasingly unavailable. Additionally, rejection of this BCP will needlessly increase the risk to the security and privacy of information contained in



DTS-hosted systems, reduce state revenue, and increase the cost of the Information Technology (IT) services used by the State.

Absent the capacity upgrades proposed by this BCP, the risk of outages affecting services to the public will increase because obsolete equipment will not be replaced, preventative maintenance will be deferred or cancelled, and refresh of hardware and software will be delayed. Consequently, a greater level of effort will be needed to maintain DTS services, which will affect the availability of DTS staff to respond to incidents and problems and how quickly DTS service outages are corrected.

The following examples illustrate how DTS customer programs continue to grow. The DTS must be prepared to accommodate this growth to avoid a negative impact to these programs.

#### **A. Employment Development Department (EDD)**

As the State of California's largest tax collection agency, EDD handles the audit and collection of payroll taxes and maintains employment records for more than 17 million California workers. This workload will increase because the population of California is expected to grow. Growth by 467,000 persons is projected for 2007. According to the U.S. Census Bureau, California will be the most populous state during the 1993-2020 period and it is expected to grow by over 16 million persons during these years.<sup>1</sup>

Additionally, the State of California has become increasingly dependent on personal income taxes as a source of revenue.<sup>2</sup>

<u>Year</u>	<u>% of General Fund/Special Funds</u>
2006 (estimate)	49%
1997	40%
1977	30%

#### **B. California Board of Equalization (BOE)**

The BOE provides tax administration for the State of California. BOE tax filing and collection applications provide 36 percent of California's annual revenue and benefit a number of programs that support public safety, transportation, housing, health and social services, and natural resources management programs. The FY 2005/06 contribution from these applications was \$53 billion.<sup>3</sup>

Sales tax transaction volume increases from 3 percent to 9 percent have occurred annually since 2003.<sup>4</sup> Additionally, the population of California is growing, which will continue to affect the volume of transactions and storage requirements of the BOE tax administration systems. The population of California is expected to grow by 467,000 in 2007. According to

---

<sup>1</sup> Reference: [www.census.gov/population/www/pop-profile/stproj.html](http://www.census.gov/population/www/pop-profile/stproj.html)

<sup>2</sup> Reference: [www.sco.ca.gov/ard/cash/summaries/0707.pdf](http://www.sco.ca.gov/ard/cash/summaries/0707.pdf)

<sup>3</sup> Reference: [www.boe.ca.gov/annual/pdf/2006/4-sales06.pdf](http://www.boe.ca.gov/annual/pdf/2006/4-sales06.pdf)  
[www.boe.ca.gov/annual/pdf/2006/5-special06.pdf](http://www.boe.ca.gov/annual/pdf/2006/5-special06.pdf)

<sup>4</sup> Reference: [www.boe.ca.gov/news/pdf/t1\\_2q06.pdf](http://www.boe.ca.gov/news/pdf/t1_2q06.pdf)

---



the U.S. Census Bureau, California will be the most populous state during the 1993-2020 period and it is expected to grow by over 16 million persons during these years.<sup>5</sup>

### C. Department of Health Care Services (DHCS)

The DHCS<sup>6</sup> operates a number of programs that are critical to protect and promote the health status of Californians. For example, the Women, Infant, and Children (WIC) program delivers the Special Supplemental Nutrition Program (SSNP), which is a food and nutrition program that helps pregnant women, new mothers and young children eat well and stay healthy. The WIC Integrated Statewide Information System (ISIS)<sup>7</sup> supports approximately 3,500 local agency staff that provide 1.2 million low-income women and children every month with nutritious foods, nutrition education, and referrals to other community services.

WIC serves 4,000 families an hour every workday statewide and has one million participants each month. Increases in program participation are expected to continue to grow at a rate of more than 40,000 participants for 2007.<sup>8</sup>

<u>Year</u>	<u>Participants</u>
2007 (est growth)	1,388,000
2006	1,348,000
2005	1,309,000
2004	1,293,000

### D. California Department of Social Services (CDSS)

CDSS uses a Child Welfare Services/Case Management System (CWS/CMS) to automate the child welfare functions of county offices. Caseload information shared through this system involves both adoption and child abuse. An increase in CDSS Child Welfare Services (CWS) program caseload is expected to grow at a rate of 69,000 cases, 371,000 referrals and 1,200 active users for 2007.<sup>9</sup>

	<u>Caseload as of July 31, 2006</u>	<u>Caseload as of July 31, 2007</u>
Total Cases	1,161,259	1,230,069
Total Referrals	4,586,133	4,957,639
Active Users	21,267	22,525

<sup>5</sup> Reference: [www.census.gov/population/www/pop-profile/stproj.html](http://www.census.gov/population/www/pop-profile/stproj.html)

<sup>6</sup> Effective 7/10/2007, Chapter 241, Statutes of 2006 (SB 162) created the new Department of Public Health and the Department of Health Care Services (DHCS) from the former Department of Health Services, within the existing Health and Human Services Agency.

<sup>7</sup> ISIS received special recognition from the Department of Information Technology, which presented the first State Chief Information Officer award for outstanding achievement of an information technology project in State Government to the Department of Health Services. In July 1997, ISIS won a prestigious international award. It received Object World's 1997 Object Application Award for "Best USE of Object Technology Within an Enterprise or Large System Environment".

<sup>8</sup> Reference: [www.fns.usda.gov/pd/26wifypart.htm](http://www.fns.usda.gov/pd/26wifypart.htm)

<sup>9</sup> Reference: [www.hwcws.osi.ca.gov/CountyInfo/UsageStatistics/](http://www.hwcws.osi.ca.gov/CountyInfo/UsageStatistics/)



## E. Department of Motor Vehicles (DMV)

The DMV mission critical Vehicle Registration, Vehicle Internet Renewal, Driver License, and Driver License Internet Renewal systems electronically track over 27 million driver licenses and ID cards and over 33.8 million vehicle registrations. In doing so, they protect the public and the lives of California Highway Patrol (CHP) officers and other law enforcement personnel by providing driver and vehicle information to the Department of Justice (DOJ) California Law Enforcement Telecommunications System (CLETS) network. As of November 2005, the CLETS system processed more than 2.5 million messages a day from the men and women in law enforcement working on the front lines.<sup>10</sup>

Growth is expected to continue at a rate of 800,000 drivers licenses and ID cards, and 320,000 vehicle registrations for 2007.<sup>11</sup>

<u>Year</u>	<u>Driver Licenses &amp; ID Cards</u>	<u>Vehicle Registrations</u>
2007 (est growth)	28,285,894	34,202,029
2006	27,485,894	33,882,029
2005	26,685,102	33,363,963

## Recommendation

The DTS recommends approval of FY 2008/09 BCP #1 to authorize upgrades to mainframe processing capacity and 7.0 additional state staff positions to address projected increases in customer workload growth. This will allow the continuation of services to DTS customers and to the public and will minimize risk to service levels.

---

<sup>10</sup> Reference: [search.doj.ca.gov/AGSearch/isisquery/c4dfb8cc-27ff-4fd2-9939-9010e36d630e/2/doc/](http://search.doj.ca.gov/AGSearch/isisquery/c4dfb8cc-27ff-4fd2-9939-9010e36d630e/2/doc/)

<sup>11</sup> Reference: [www.dmv.ca.gov/about/profile/dl\\_outs\\_by\\_county.pdf](http://www.dmv.ca.gov/about/profile/dl_outs_by_county.pdf)  
[www.dmv.ca.gov/about/profile/est\\_fees\\_pd\\_by\\_county.pdf](http://www.dmv.ca.gov/about/profile/est_fees_pd_by_county.pdf)

---



## 2008/09 Budget Change Proposals

### Action Item

Recommendation: Approve Budget Change Proposal #2  
for Midrange Processing Capacity Growth

### Background

Most customer applications hosted by the Department of Technology Services (DTS) continue to experience annual growth in processing requirements. This growth may be attributed to transaction processing and storage for new customers or expanding transaction history for existing customers. For example, a newly licensed driver adds a new record to DMV's driver database, and also begins to add to the driver history records. Increasing volumes such as these require DTS to incur additional expenses such as more software seat licenses, additional computer memory and processing power, and additional technical and operational staff to ensure proper ongoing operations.

**Customer program growth impacts the data center workload.** As customer programs grow, the related data center infrastructure also grows. Examples of customers who continue to grow are: BOE, CalSTRS, CDCR, CDSS, DMV, DHS, EDD, and SCO.

**Internal Service Fund.** The DTS is an internal service fund (special fund) department. The Department operates from the DTS Revolving Fund and has little or no impact upon the General Fund. Spending authority is approved annually for the operation of DTS and then we are required to fully recover those costs through billing the customers for their usage of services at our published rates.

**Midrange Capacity.** The DTS is requesting an increase in expenditure authority of \$13,562,000 for FY 2008/09 in order to purchase 130 new midrange servers and the associated software to meet anticipated customer needs. This request also includes an increase of \$1,071,000 for 11.0 staff positions, and \$44,000 for other operating expenses.

### Discussion

In order to protect the citizens of California from the loss of essential programs and services this Budget Change Proposal (BCP) requests approval for the responsible and cost-effective growth of midrange processing capacity. Failure to approve this request for capacity upgrades and staffing that are needed to accommodate the planned and projected growth of DTS customer



systems will jeopardize customer operations and degrade the programs that our customers support. The health, life, and safety of the citizens of California will unnecessarily be placed in danger by allowing customer applications that support law enforcement and other essential public services and programs to become outdated and increasingly unavailable. Additionally, rejection of this BCP will needlessly increase the risk to the security and privacy of information contained in DTS-hosted systems, reduce state revenue, and increase the cost of the Information Technology (IT) services used by the State.

Absent the capacity upgrades proposed by this BCP, the risk of outages affecting services to the public will increase because obsolete equipment will not be replaced, preventative maintenance will be deferred or cancelled, and refresh of hardware and software will be delayed. Consequently, a greater level of effort will be needed to maintain DTS services, which will affect the availability of DTS staff to respond to incidents and problems and how quickly DTS service outages are corrected.

The following examples illustrate how DTS customer programs continue to grow. The DTS must be prepared to accommodate this growth to avoid a negative impact to these programs.

#### **A. California Board of Equalization (BOE)**

The BOE provides tax administration for the State of California. BOE tax filing and collection applications provide 36 percent of California's annual revenue and benefit a number of programs that support public safety, transportation, housing, health and social services, and natural resources management programs. The FY 2005/06 contribution from these applications was \$53 billion.<sup>1</sup>

Sales tax transaction volume increases from 3 percent to 9 percent have occurred annually since 2003.<sup>2</sup> Additionally, the population of California is growing, which will continue to affect the volume of transactions and storage requirements of the BOE tax administration systems. The population of California is expected to grow by 467,000 in 2007. According to the U.S. Census Bureau, California will be the most populous state during the 1993-2020 period and it is expected to grow by over 16 million persons during these years.<sup>3</sup>

#### **B. Department of Health Care Services (DHCS)**

The DHCS<sup>4</sup> operates a number of programs that are critical to protect and promote the health status of Californians. For example, the Women, Infant, and Children (WIC) program delivers the Special Supplemental Nutrition Program (SSNP), which is a food and nutrition program that helps pregnant women, new mothers and young children eat well and stay

---

<sup>1</sup> Reference: [www.boe.ca.gov/annual/pdf/2006/4-sales06.pdf](http://www.boe.ca.gov/annual/pdf/2006/4-sales06.pdf)  
[www.boe.ca.gov/annual/pdf/2006/5-special06.pdf](http://www.boe.ca.gov/annual/pdf/2006/5-special06.pdf)

<sup>2</sup> Reference: [www.boe.ca.gov/news/pdf/t1\\_2q06.pdf](http://www.boe.ca.gov/news/pdf/t1_2q06.pdf)

<sup>3</sup> Reference: [www.census.gov/population/www/pop-profile/stproj.html](http://www.census.gov/population/www/pop-profile/stproj.html)

<sup>4</sup> Effective 7/10/2007, Chapter 241, Statutes of 2006 (SB 162) created the new Department of Public Health and the Department of Health Care Services (DHCS) from the former Department of Health Services, within the existing Health and Human Services Agency.



healthy. The WIC Integrated Statewide Information System (ISIS)<sup>5</sup> supports approximately 3,500 local agency staff that provide 1.2 million low-income women and children every month with nutritious foods, nutrition education, and referrals to other community services.

WIC serves 4,000 families an hour every workday statewide and has one million participants each month. Increases in program participation are expected to continue to grow at a rate of more than 40,000 participants for 2007.<sup>6</sup>

<u>Year</u>	<u>Participants</u>
2007 (est growth)	1,388,000
2006	1,348,000
2005	1,309,000
2004	1,293,000

### C. California Department of Social Services (CDSS)

CDSS uses a Child Welfare Services/Case Management System (CWS/CMS) to automate the child welfare functions of county offices. Caseload information shared through this system involves both adoption and child abuse. An increase in CDSS Child Welfare Services (CWS) program caseload is expected to grow at a rate of 69,000 cases, 371,000 referrals and 1,200 active users for 2007.<sup>7</sup>

	<u>Caseload as of July 31, 2006</u>	<u>Caseload as of July 31, 2007</u>
Total Cases	1,161,259	1,230,069
Total Referrals	4,586,133	4,957,639
Active Users	21,267	22,525

### D. Department of Motor Vehicles (DMV)

The DMV mission critical Vehicle Registration, Vehicle Internet Renewal, Driver License, and Driver License Internet Renewal systems electronically track over 27 million driver licenses and ID cards and over 33.8 million vehicle registrations. In doing so, they protect the public and the lives of California Highway Patrol (CHP) officers and other law enforcement personnel by providing driver and vehicle information to the Department of Justice (DOJ) California Law Enforcement Telecommunications System (CLETS) network. As of November 2005, the CLETS system processed more than 2.5 million messages a day from the men and women in law enforcement working on the front lines.<sup>8</sup>

<sup>5</sup> ISIS received special recognition from the Department of Information Technology, which presented the first State Chief Information Officer award for outstanding achievement of an information technology project in State Government to the Department of Health Services. In July 1997, ISIS won a prestigious international award. It received Object World's 1997 Object Application Award for "Best USE of Object Technology Within an Enterprise or Large System Environment".

<sup>6</sup> Reference: [www.fns.usda.gov/pd/26wifypart.htm](http://www.fns.usda.gov/pd/26wifypart.htm)

<sup>7</sup> Reference: [www.hwcws.osi.ca.gov/CountyInfo/UsageStatistics/](http://www.hwcws.osi.ca.gov/CountyInfo/UsageStatistics/)

<sup>8</sup> Reference [search.doj.ca.gov/AGSearch/isysquery/c4dfb8cc-27ff-4fd2-9939-9010e36d630e/2/doc/](http://search.doj.ca.gov/AGSearch/isysquery/c4dfb8cc-27ff-4fd2-9939-9010e36d630e/2/doc/)





Growth is expected to continue at a rate of 800,000 drivers licenses and ID cards, and 320,000 vehicle registrations for 2007.<sup>9</sup>

<b><u>Year</u></b>	<b><u>Driver Licenses &amp; ID Cards</u></b>	<b><u>Vehicle Registrations</u></b>
2007 (est growth)	28,285,894	34,202,029
2006	27,485,894	33,882,029
2005	26,685,102	33,363,963

## Recommendation

The DTS recommends approval of FY 2008/09 BCP #2 to authorize upgrades to midrange processing capacity and 11.0 additional state staff positions to address projected increases in customer workload growth. This will allow the continuation of services to DTS customers and to the public, which will minimize risk to service levels.

---

<sup>9</sup> Reference: [www.dmv.ca.gov/about/profile/dl\\_outs\\_by\\_county.pdf](http://www.dmv.ca.gov/about/profile/dl_outs_by_county.pdf)  
[www.dmv.ca.gov/about/profile/est\\_fees\\_pd\\_by\\_county.pdf](http://www.dmv.ca.gov/about/profile/est_fees_pd_by_county.pdf)

---





## 2008/09 Budget Change Proposals

### Action Item

Recommendation: Approve Budget Change Proposal #3  
for Network Capacity Growth

### Background

**Customer program growth impacts the data center workload.** As customer programs grow, the related data center infrastructure also grows. Examples of customers who continue to grow are: BOE, CalSTRS, CDCR, CDSS, DMV, DHS, EDD, and SCO.

**Internal Service Fund.** The Department of Technology Services (DTS) is an internal service fund (special fund) department. The Department operates from the DTS Revolving Fund and has little or no impact upon the General Fund. Spending authority is approved annually for the operation of DTS and then we are required to fully recover those costs through billing the customers for their usage of services at our published rates.

**Network Capacity.** The DTS is requesting an increase in expenditure authority of \$1,550,000 for FY 2008/09 in order to purchase one time additional network hardware, software and circuit installation to meet anticipated customer needs. This request also includes \$1,618,000 for annual circuit costs and hardware maintenance.

### Discussion

In order to protect the citizens of California from the loss of essential programs and services this Budget Change Proposal (BCP) requests approval for the responsible and cost-effective growth of network capacity. Failure to approve this request for capacity upgrades that are needed to accommodate the planned and projected growth of DTS customer systems will jeopardize customer operations and degrade the programs that our customers support. The health, life, and safety of the citizens of California will unnecessarily be placed in danger by allowing customer applications that support law enforcement and other essential public services and programs to become outdated and increasingly unavailable. Additionally, rejection of this BCP will needlessly increase the risk to the security and privacy of information contained in DTS-hosted systems, reduce state revenue, and increase the cost of the Information Technology (IT) services used by the State.

Absent the capacity upgrades proposed by this BCP, the risk of outages affecting services to the public will increase because obsolete equipment will not be replaced, preventative



maintenance will be deferred or cancelled, and refresh of hardware and software will be delayed. Consequently, a greater level of effort will be needed to maintain DTS services, which will affect the availability of DTS staff to respond to incidents and problems and how quickly DTS service outages are corrected.

The following examples illustrate how DTS customer programs continue to grow. The DTS must be prepared to accommodate this growth to avoid a negative impact to these programs.

#### **A. Employment Development Department (EDD)**

As the State of California's largest tax collection agency, EDD handles the audit and collection of payroll taxes and maintains employment records for more than 17 million California workers. This workload will increase because the population of California is expected to grow. Growth by 467,000 persons is projected for 2007. According to the U.S. Census Bureau, California will be the most populous state during the 1993-2020 period and it is expected to grow by over 16 million persons during these years.<sup>1</sup>

Additionally, the State of California has become increasingly dependent on personal income taxes as a source of revenue.<sup>2</sup>

<u>Year</u>	<u>% of General Fund/Special Funds</u>
2006 (estimate)	49%
1997	40%
1977	30%

#### **B. California Board of Equalization (BOE)**

The BOE provides tax administration for the State of California. BOE tax filing and collection applications provide 36 percent of California's annual revenue and benefit a number of programs that support public safety, transportation, housing, health and social services, and natural resources management programs. The FY 2005/06 contribution from these applications was \$53 billion.<sup>3</sup>

Sales tax transaction volume increases from 3 percent to 9 percent have occurred annually since 2003.<sup>4</sup> Additionally, the population of California is growing, which will continue to affect the volume of transactions and storage requirements of the BOE tax administration systems. The population of California is expected to grow by 467,000 in 2007. According to the U.S. Census Bureau, California will be the most populous state during the 1993-2020 period and it is expected to grow by over 16 million persons during these years.<sup>5</sup>

---

<sup>1</sup> Reference: [www.census.gov/population/www/pop-profile/stproj.html](http://www.census.gov/population/www/pop-profile/stproj.html)

<sup>2</sup> Reference: [www.sco.ca.gov/ard/cash/summaries/0707.pdf](http://www.sco.ca.gov/ard/cash/summaries/0707.pdf)

<sup>3</sup> Reference: [www.boe.ca.gov/annual/pdf/2006/4-sales06.pdf](http://www.boe.ca.gov/annual/pdf/2006/4-sales06.pdf)  
[www.boe.ca.gov/annual/pdf/2006/5-special06.pdf](http://www.boe.ca.gov/annual/pdf/2006/5-special06.pdf)

<sup>4</sup> Reference: [www.boe.ca.gov/news/pdf/t1\\_2q06.pdf](http://www.boe.ca.gov/news/pdf/t1_2q06.pdf)

<sup>5</sup> Reference: [www.census.gov/population/www/pop-profile/stproj.html](http://www.census.gov/population/www/pop-profile/stproj.html)

---



### C. Department of Health Care Services (DHCS)

The DHCS<sup>6</sup> operates a number of programs that are critical to protect and promote the health status of Californians. For example, the Women, Infant, and Children (WIC) program delivers the Special Supplemental Nutrition Program (SSNP), which is a food and nutrition program that helps pregnant women, new mothers and young children eat well and stay healthy. The WIC Integrated Statewide Information System (ISIS)<sup>7</sup> supports approximately 3,500 local agency staff that provide 1.2 million low-income women and children every month with nutritious foods, nutrition education, and referrals to other community services.

WIC serves 4,000 families an hour every workday statewide and has one million participants each month. Increases in program participation are expected to continue to grow at a rate of more than 40,000 participants for 2007.<sup>8</sup>

<u>Year</u>	<u>Participants</u>
2007 (est growth)	1,388,000
2006	1,348,000
2005	1,309,000
2004	1,293,000

### D. California Department of Social Services (CDSS)

CDSS uses a Child Welfare Services/Case Management System (CWS/CMS) to automate the child welfare functions of county offices. Caseload information shared through this system involves both adoption and child abuse. An increase in CDSS Child Welfare Services (CWS) program caseload is expected to grow at a rate of 69,000 cases, 371,000 referrals and 1,200 active users for 2007.<sup>9</sup>

	<u>Caseload as of July 31, 2006</u>	<u>Caseload as of July 31, 2007</u>
Total Cases	1,161,259	1,230,069
Total Referrals	4,586,133	4,957,639
Active Users	21,267	22,525

<sup>6</sup> Effective 7/10/2007, Chapter 241, Statutes of 2006 (SB 162) created the new Department of Public Health and the Department of Health Care Services (DHCS) from the former Department of Health Services, within the existing Health and Human Services Agency.

<sup>7</sup> ISIS received special recognition from the Department of Information Technology, which presented the first State Chief Information Officer award for outstanding achievement of an information technology project in State Government to the Department of Health Services. In July 1997, ISIS won a prestigious international award. It received Object World's 1997 Object Application Award for "Best USE of Object Technology Within an Enterprise or Large System Environment".

<sup>8</sup> Reference: [www.fns.usda.gov/pd/26wifypart.htm](http://www.fns.usda.gov/pd/26wifypart.htm)

<sup>9</sup> Reference: [www.hwcws.osi.ca.gov/CountyInfo/UsageStatistics/](http://www.hwcws.osi.ca.gov/CountyInfo/UsageStatistics/)



## E. Department of Motor Vehicles (DMV)

The DMV mission critical Vehicle Registration, Vehicle Internet Renewal, Driver License, and Driver License Internet Renewal systems electronically track over 27 million driver licenses and ID cards and over 33.8 million vehicle registrations. In doing so, they protect the public and the lives of California Highway Patrol (CHP) officers and other law enforcement personnel by providing driver and vehicle information to the Department of Justice (DOJ) California Law Enforcement Telecommunications System (CLETS) network. As of November 2005, the CLETS system processed more than 2.5 million messages a day from the men and women in law enforcement working on the front lines.<sup>10</sup>

Growth is expected to continue at a rate of 800,000 drivers licenses and ID cards, and 320,000 vehicle registrations for 2007.<sup>11</sup>

<u>Year</u>	<u>Driver Licenses &amp; ID Cards</u>	<u>Vehicle Registrations</u>
2007 (est growth)	28,285,894	34,202,029
2006	27,485,894	33,882,029
2005	26,685,102	33,363,963

## Recommendation

The DTS recommends approval of FY 2008/09 BCP #3 to authorize upgrades to network bandwidth capacity to address projected increases in customer workload growth. This will allow the continuation of services to DTS customers and to the public, which will minimize risk to service levels.

---

<sup>10</sup> Reference: [search.doj.ca.gov/AGSearch/isysquery/c4dfb8cc-27ff-4fd2-9939-9010e36d630e/2/doc/](http://search.doj.ca.gov/AGSearch/isysquery/c4dfb8cc-27ff-4fd2-9939-9010e36d630e/2/doc/)

<sup>11</sup> Reference: [www.dmv.ca.gov/about/profile/dl\\_outs\\_by\\_county.pdf](http://www.dmv.ca.gov/about/profile/dl_outs_by_county.pdf)  
[www.dmv.ca.gov/about/profile/est\\_fees\\_pd\\_by\\_county.pdf](http://www.dmv.ca.gov/about/profile/est_fees_pd_by_county.pdf)

---



## 2008/09 Budget Change Proposals

### Action Item

Recommendation: Approve Budget Change Proposal #4  
for Storage Capacity Growth

### Background

**Customer program growth impacts the data center workload.** As customer programs grow, the related data center infrastructure also grows. Examples of customers who continue to grow are: BOE, CalSTRS, CDCR, CDSS, DMV, DHS, EDD, and SCO.

**Internal Service Fund.** The Department of Technology Services (DTS) is an internal service fund (special fund) department. The Department operates from the DTS Revolving Fund and has little or no impact upon the General Fund. Spending authority is approved annually for the operation of DTS and then we are required to fully recover those costs through billing the customers for their usage of services at our published rates.

**Storage Capacity.** The DTS is requesting an increase in expenditure authority of \$7,748,000 for FY 2008/09 in order to purchase 76 terabytes of additional disk storage, tape storage, and connectivity infrastructure to meet anticipated customer needs. This also includes an increase of \$1,041,000 for 11.0 staff positions and \$44,000 for other operating expenses.

### Discussion

In order to protect the citizens of California from the loss of essential programs and services this Budget Change Proposal (BCP) requests approval for the responsible and cost-effective growth of storage capacity. Failure to approve this request for capacity upgrades and staffing that are needed to accommodate the planned and projected growth of DTS customer systems will jeopardize customer operations and degrade the programs that our customers support. The health, life, and safety of the citizens of California will unnecessarily be placed in danger by allowing customer applications that support law enforcement and other essential public services and programs to become outdated and increasingly unavailable. Additionally, rejection of this BCP will needlessly increase the risk to the security and privacy of information contained in DTS-hosted systems, reduce state revenue, and increase the cost of the Information Technology (IT) services used by the State.

Absent the capacity upgrades proposed by this BCP, the risk of outages affecting services to the public will increase because obsolete equipment will not be replaced, preventative



maintenance will be deferred or cancelled, and refresh of hardware and software will be delayed. Consequently, a greater level of effort will be needed to maintain DTS services, which will affect the availability of DTS staff to respond to incidents and problems and how quickly DTS service outages are corrected.

The following examples illustrate how DTS customer programs continue to grow. The DTS must be prepared to accommodate this growth to avoid a negative impact to these programs.

#### **A. Employment Development Department (EDD)**

As the State of California's largest tax collection agency, EDD handles the audit and collection of payroll taxes and maintains employment records for more than 17 million California workers. This workload will increase because the population of California is expected to grow. Growth by 467,000 persons is projected for 2007. According to the U.S. Census Bureau, California will be the most populous state during the 1993-2020 period and it is expected to grow by over 16 million persons during these years.<sup>1</sup>

Additionally, the State of California has become increasingly dependent on personal income taxes as a source of revenue.<sup>2</sup>

<u>Year</u>	<u>% of General Fund/Special Funds</u>
2006 (estimate)	49%
1997	40%
1977	30%

#### **B. California Board of Equalization (BOE)**

The BOE provides tax administration for the State of California. BOE tax filing and collection applications provide 36 percent of California's annual revenue and benefit a number of programs that support public safety, transportation, housing, health and social services, and natural resources management programs. The FY 2005/06 contribution from these applications was \$53 billion.<sup>3</sup>

Sales tax transaction volume increases from 3 percent to 9 percent have occurred annually since 2003.<sup>4</sup> Additionally, the population of California is growing, which will continue to affect the volume of transactions and storage requirements of the BOE tax administration systems. The population of California is expected to grow by 467,000 in 2007. According to the U.S. Census Bureau, California will be the most populous state during the 1993-2020 period and it is expected to grow by over 16 million persons during these years.<sup>5</sup>

---

<sup>1</sup> Reference: [www.census.gov/population/www/pop-profile/stproj.html](http://www.census.gov/population/www/pop-profile/stproj.html)

<sup>2</sup> Reference: [www.sco.ca.gov/ard/cash/summaries/0707.pdf](http://www.sco.ca.gov/ard/cash/summaries/0707.pdf)

<sup>3</sup> Reference: [www.boe.ca.gov/annual/pdf/2006/4-sales06.pdf](http://www.boe.ca.gov/annual/pdf/2006/4-sales06.pdf)  
[www.boe.ca.gov/annual/pdf/2006/5-special06.pdf](http://www.boe.ca.gov/annual/pdf/2006/5-special06.pdf)

<sup>4</sup> Reference: [www.boe.ca.gov/news/pdf/t1\\_2q06.pdf](http://www.boe.ca.gov/news/pdf/t1_2q06.pdf)

<sup>5</sup> Reference: [www.census.gov/population/www/pop-profile/stproj.html](http://www.census.gov/population/www/pop-profile/stproj.html)

---



### C. Department of Health Care Services (DHCS)

The DHCS<sup>6</sup> operates a number of programs that are critical to protect and promote the health status of Californians. For example, the Women, Infant, and Children (WIC) program delivers the Special Supplemental Nutrition Program (SSNP), which is a food and nutrition program that helps pregnant women, new mothers and young children eat well and stay healthy. The WIC Integrated Statewide Information System (ISIS)<sup>7</sup> supports approximately 3,500 local agency staff that provide 1.2 million low-income women and children every month with nutritious foods, nutrition education, and referrals to other community services.

WIC serves 4,000 families an hour every workday statewide and has one million participants each month. Increases in program participation are expected to continue to grow at a rate of more than 40,000 participants for 2007.<sup>8</sup>

<u>Year</u>	<u>Participants</u>
2007 (est growth)	1,388,000
2006	1,348,000
2005	1,309,000
2004	1,293,000

### D. California Department of Social Services (CDSS)

CDSS uses a Child Welfare Services/Case Management System (CWS/CMS) to automate the child welfare functions of county offices. Caseload information shared through this system involves both adoption and child abuse. An increase in CDSS Child Welfare Services (CWS) program caseload is expected to grow at a rate of 69,000 cases, 371,000 referrals and 1,200 active users for 2007.<sup>9</sup>

	<u>Caseload as of July 31, 2006</u>	<u>Caseload as of July 31, 2007</u>
Total Cases	1,161,259	1,230,069
Total Referrals	4,586,133	4,957,639
Active Users	21,267	22,525

<sup>6</sup> Effective 7/10/2007, Chapter 241, Statutes of 2006 (SB 162) created the new Department of Public Health and the Department of Health Care Services (DHCS) from the former Department of Health Services, within the existing Health and Human Services Agency.

<sup>7</sup> ISIS received special recognition from the Department of Information Technology, which presented the first State Chief Information Officer award for outstanding achievement of an information technology project in State Government to the Department of Health Services. In July 1997, ISIS won a prestigious international award. It received Object World's 1997 Object Application Award for "Best USE of Object Technology Within an Enterprise or Large System Environment".

<sup>8</sup> Reference: [www.fns.usda.gov/pd/26wifypart.htm](http://www.fns.usda.gov/pd/26wifypart.htm)

<sup>9</sup> Reference: [www.hwcws.osi.ca.gov/CountyInfo/UsageStatistics/](http://www.hwcws.osi.ca.gov/CountyInfo/UsageStatistics/)





## E. Department of Motor Vehicles (DMV)

The DMV mission critical Vehicle Registration, Vehicle Internet Renewal, Driver License, and Driver License Internet Renewal systems electronically track over 27 million driver licenses and ID cards and over 33.8 million vehicle registrations. In doing so, they protect the public and the lives of California Highway Patrol (CHP) officers and other law enforcement personnel by providing driver and vehicle information to the Department of Justice (DOJ) California Law Enforcement Telecommunications System (CLETS) network. As of November 2005, the CLETS system processed more than 2.5 million messages a day from the men and women in law enforcement working on the front lines.<sup>10</sup>

Growth is expected to continue at a rate of 800,000 drivers licenses and ID cards, and 320,000 vehicle registrations for 2007.<sup>11</sup>

<u>Year</u>	<u>Driver Licenses &amp; ID Cards</u>	<u>Vehicle Registrations</u>
2007 (est growth)	28,285,894	34,202,029
2006	27,485,894	33,882,029
2005	26,685,102	33,363,963

## Recommendation

The DTS recommends approval of FY 2008/09 BCP #4 to authorize upgrades to storage capacity and 11.0 additional state staff positions to address projected increases in customer workload growth. This will allow the continuation of services to DTS customers and to the public and will minimize risk to service levels.

---

<sup>10</sup> Reference: [search.doj.ca.gov/AGSearch/isisquery/c4dfb8cc-27ff-4fd2-9939-9010e36d630e/2/doc/](http://search.doj.ca.gov/AGSearch/isisquery/c4dfb8cc-27ff-4fd2-9939-9010e36d630e/2/doc/)

<sup>11</sup> Reference: [www.dmv.ca.gov/about/profile/dl\\_outs\\_by\\_county.pdf](http://www.dmv.ca.gov/about/profile/dl_outs_by_county.pdf)  
[www.dmv.ca.gov/about/profile/est\\_fees\\_pd\\_by\\_county.pdf](http://www.dmv.ca.gov/about/profile/est_fees_pd_by_county.pdf)



## 2008/09 Budget Change Proposals

### Action Item

Recommendation: Approve Budget Change Proposal #5  
for New Customer Projects

### Background

**New customer projects impact the data center workload.** As customer new projects are approved, the related data center infrastructure also grows. The Department of Finance (DOF) has approved 50+ customer projects representing more than \$5 billion in project costs that will create additional workload for the Department of Technology Services (DTS). The DTS positions to support these projects were not approved at the time the projects were approved.

**New Projects.** The DTS is requesting an increase in expenditure authority in order to support new customer projects. The DTS is also requesting an increase of 24.0 staff positions for existing and projected workload increases.

The DTS requests an increase in expenditure authority of \$6,979,000 for FY 2008/09 to support 52 new customer projects that have been approved by the Department of Finance. The DTS requests authority to spend \$4,553,000 to purchase 14 UNIX servers, 194 Windows servers, 12.8 terabytes of storage, and \$2,426,000 to create 24.0 positions to support the approved customer projects.

This request does not overlap the other BCPs submitted for FY 2008/09.

### Discussion

In order to protect the citizens of California from the loss of essential programs and services DTS customers have initiated a growing number of Information Technology (IT) modernization projects. The importance of these projects has been acknowledged by the Technology Services Board (TSB) and State Chief Information Officer (CIO) and is also evident in their approval by the DOF.

Failure to approve this request for new project capacity and staffing that are needed to accommodate new customer projects will jeopardize the programs that our customers support.



#### **A. September 2007 TSB Meeting**

During the September 2007 TSB meeting, the State CIO presented an overview of the state IT projects and enterprise initiatives. The items mentioned in this presentation included:

- Modernizing and standardizing the State's business management systems (total cost \$1.519 billion)
  - SCO: 21<sup>st</sup> Century
  - CDCR: BIS
  - DOT: IFMS-EFIS
  - Fi\$Cal
- Modernizing and consolidating the State's IT, Telecommunications, and Network Infrastructure
  - Infrastructure - \$678 million (CDCR, EDD, DMV)
  - Case Management - \$2.297 billion (CDCR, EDD, DMV, DOJ, DOT, DSS)
  - Telecommunications / Network
- Overall Portfolio
  - 132 Projects (15 more than last year)
  - \$6.2 Billion (24% growth over last year)
  - 50 Departments:
    - CDCR (16)
    - DOJ (6)
    - DMV (7)
    - DOT (6)
    - FTB, HHS, DPH, DMH, Conservation (5)

#### **B. DTS Approved Projects Affecting DTS Workload**

Our review of the list of DOF approved projects identified the following examples of new customer projects that impact DTS workload:

##### State Controller Office's (SCO)

0840-70      Human Resources Management System (21<sup>st</sup> Century) Project

##### Department of Motor Vehicles (DMV)

2740-180      System Replacement IT Modernization  
2740-182      Driver License/Identification/Salesperson License Contract  
2740-184      Implementation of the Federal Real ID Act (REAL ID)

##### Employment Development Department's (EDD)

7100-175      Web Based Claim Filing (WBCF)  
7100-181      Unemployment Insurance Modernization (UIMOD)  
7100-189      Automated Collection Enhancement System (ACES)



Franchise Tax Board (FTB)

1730-150 California Child Support Automated System Project - Child Support Enforcement (CCSAS-CSE)

Secretary Health & Human Services Agency

0530-141 California Management Information and Payroll System (CMIPS II)  
0530-204 Electronic Benefit Transfer (EBT/SARS) System  
0530-205 Interim Statewide Automated Welfare System (ISAWS) Migration  
0530-208 Child Welfare System/Case Management System (CWS/CMS – New System)

Health and Human Services Agency's (HHS)

4260-179 Health Insurance Portability & Accountability Act (HIPAA)  
4260-186 Next Generation Medi-Cal Management Information System / Decision Support System (MIS/DSS)  
4260-188 Vital Records Image Redaction & Statewide Access (VRIRSA)  
4260-191 Medi-Cal Provider Enrollment

Department of Mental Health (DMH)

4440-47 Tracking Sexually Violent Predator System

California Department of Corrections and Rehabilitation (CDCR)

5225-93 Business Information Systems (BIS)  
5225-94 Restitution Accounting Canteen System (RACS)  
5225-102 Discharged Offender Record Management Systems (DORMS)  
5225-112 Consolidated IT Infrastructure Project (CITIP)  
5225-113 Strategic Offender Management System (SOMS)

Department of Consumer Affairs (DCA)

1110-107 iLicense

**C. DTS Support for Customer Projects**

The DTS workload is impacted by all phases of the system development life cycle for new customer projects. For example, as part of customer Feasibility Study Reports (FSRs) we provide subject matter experts, technical assistance, cost estimates, customer consultations, and infrastructure impact analysis.

Additionally, we provide subject matter experts, documentation development, technical specifications, and vendor proposal discussions in support of customer Requests for Proposals (RFPs). During customer project planning and implementation activities, we provide subject matter experts, vendor solution discussions, and procurement documentation. In addition, we implement environments for development, testing, training, production; implement network connectivity; manage security; support software tools; and manage change requests, service requests, configuration, and patches.



## Recommendation

The DTS recommends approval of FY 2008/09 BCP #5 to authorize the purchase of capacity and 24.0 additional state staff positions to ensure that the DTS is properly resourced to support these customer projects. This will allow the continuation of services to DTS customers and to the public and will minimize risk for the successful completion of these projects.



## 2008/09 Budget Change Proposals

### Action Item

Recommendation: Approve Budget Change Proposal #6  
for Security Management Division Staffing

### Background

As the custodian of confidential data, the Department of Technology Services (DTS) must improve the protection and response to internal and external threats that can result in the loss of confidential data (social security numbers, employer identification numbers, driver's license records, child welfare data, etc.).

Unfortunately, the security landscape has changed dramatically for government organizations such that DTS must enforce due diligence and mitigate the risks associated with the loss of confidential data. Today, government is the second most targeted source of cyber crime (after education) for stealing and reselling identity information to crime rings around the world.

The DTS is requesting an increase in expenditure authority of \$415,000 for FY 2008/09 in order to address serious security deficiencies that currently exist in DTS systems and architecture. These deficiencies were noted in a recent independent security audit that identified over 100 technical vulnerabilities. This request provides the resources to correct these and other significant security vulnerabilities affecting the State's IT data and systems. Included in this request is \$399,000 to establish 4.0 new positions within the DTS Security Management Division.

The DTS is an internal service fund (special fund) department. The Department operates from the DTS Revolving Fund and has little or no impact upon the General Fund. Spending authority is approved annually for the operation of DTS and then we are required to fully recover those costs through billing the customers for their usage of services at our published rates.

### Discussion

The statistics are scary. The federal Computer Emergency Readiness Team (CERT), a federally funded Internet security research group, indicates that 8,000 software vulnerabilities alone were discovered in 2006, increasing by 25 percent over the prior year. To compound the problem, 79 percent of these vulnerabilities were classified as easy for attackers to exploit. Whether phishing, farming, spoofing or fuzzing (which replaces normal computer inputs and outputs creating unanticipated and often unrecognized changes to applications) the risk of data loss and cyber crime has increased substantially.



Each individual attack is no longer one attack against a specific server or computer, but often appears as an attachment, that when opened recompiles the attack into a variant of the original code, making mitigation, response and remediation even more difficult (called storming).

As the malice of these attacks continues growing in both intensity and sophistication, DTS must improve both mitigation and response techniques.

The current state of security at DTS is an inadequate practice today at best. The current staffing, devoted to 'firefighting' results in the inability to adequately address known issues and customer requirements in a timely manner. These include:

- Security audit findings nearly three years old have no current plans or adequate staff to ensure mitigation and correction of substantial audit deficiencies for 109 audit findings and technical vulnerabilities.
- Deployment of a consistent process, product and monitoring to detect and prevent unauthorized access (intrusion detection and prevention) is only now beginning—three years after the initial identification of need.
- Staff are not available to address specific known customer requirements such as data encryption requested along with the costing and potential for encryption services 18 months ago.
- Security audits of Unix and Windows systems does not occur.
- Limited use of security software and hardware products is currently in place.

The DTS hosts systems that conduct financial transactions that must comply with Payment Card Industry (PCI) Data Security Standards. Failure to maintain compliance may result in fines or restrictions. The DTS hosts systems that perform transactions for protected health information that must comply with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA). Violators are accountable, with civil and criminal penalties if they violate patients' privacy rights. The DTS hosts other systems that are federally funded and must certify to comply with the Federal Information Security Management Act of 2002 (FISMA). Failure to materially comply with FISMA can result in the loss of federal fund reimbursement to state programs such as Child Support, Child Welfare (DSS) and Unemployment Insurance (EDD).

The DTS has 109 unresolved financial system audit and information security findings. These findings result in vulnerabilities to criminal exploits that can disable or gain control of a State IT system or the IT network infrastructure. The ability to address the findings depends upon employee resources to correct and monitor these systems.

Security related help desk tickets have increased at a 25 percent annual rate since 2002, reaching over 1,100 in 2006. Security related change requests have increased at a 50 percent annual rate since 2003, reaching over 300 in 2006. These functions cannot be displaced since they are mandatory for the continued functioning of day-to-day operations. Staff will always focus on these functions first, since they must be completed to provide customer computing services.





An unprecedented 22 security incident response events occurred in 2006. In most cases, these events involved customer data. Previous years experienced 6 or less events annually; 2007 shows a similar number of events. Attacks against Internet-connected systems have become so commonplace that the Federal CERT stopped publishing the number of incidents reported back in 2004. This entire process is more onerous, with single infections propagating between customers, making detection, remediation and assurance that an infection is fixed more problematic.

## Recommendation

Augment the Security Management Division authorized positions with four (4) Systems Software Specialists.



## 2008/09 Budget Change Proposals

### Action Item

Recommendation: Approve Budget Change Proposal #7  
for Facilities Project Staffing

### Background

In July 2005, the Stephen P. Teale Data Center (TDC), the Health and Human Services Agency Data Center (HHSDC), and a portion of the Department of General Services' (DGS) Telecommunications Division were consolidated into the new Department of Technology Services (DTS). Subsequent to that consolidation the DTS retained a consultant and conducted an analysis of the various DTS facilities.

The consultant's analysis recommended that DTS close the Cannery and South Annex facilities and relocate the equipment to Gold Camp and another raised floor site outside the Sacramento disaster region. By adopting this recommendation, DTS would be able to optimize its raised floor facilities to support ongoing operations, create redundancy between its sites for operational recovery purposes, and better meet future requests from departments for disaster preparedness services.

The DTS is an internal service fund (special fund) department. The department operates from the DTS Revolving Fund and has little or no impact upon the General Fund. Spending authority is approved annually for the operation of DTS and then we are required to fully recover those costs through billing the customers for their usage of services at our published rates.

The DTS is requesting an increase in expenditure authority of \$673,000 to coordinate a number of complex relocations from four leased facilities in Sacramento to a new leased data center facility in the Central Valley and a leased office building in Rancho Cordova. This request also establishes a Facilities Project Office (FPO) which will be responsible for these relocations including coordinating resolution and implementation of process and procedure changes, and developing recruitment and hiring plans for the Central Valley facility. This request includes \$115,000 to establish a Data Processing Manager III position and \$554,000 to acquire consulting expertise necessary to accomplish these moves.



## Discussion

The facilities project is a massive undertaking for DTS and the State. It involves moving or upgrading tens of millions of dollars of computer equipment supporting vital state and county programs--such as Child Welfare Services, Medi-Cal, and CalWorks--at least 100 miles from its current location. The target area is the Central Valley.

While DTS is working with DGS to acquire the Central Valley facility, DTS is also working with DGS to acquire leased office space in Rancho Cordova. Since DTS plans to minimize the number of staff relocations, DTS will need to conduct a recruitment effort for the Central Valley facility.

Presently, a number of DTS organizations are involved in facilities related efforts. For example, the Consolidation Management Office (CMO) is responsible for preparing the DGS/DOF documentaion for the new facilities, working with DGS on the new leases, and planning the moves to the new facilities. The Operations Division is responsible for implementing the projects related to disaster recovery. The Engineering Division is responsible for determining the software tools that DTS will use to remotely manage the systems at the Central Valley facility. The Administration Division will be responsible for the human resource activities necessary to staff the Central Valley facility.

At this point, there is no one DTS functional area accountable for ensuring the overall success of the facilities efforts. For these various reasons, DTS is proposing to establish a Facilities Project Office (FPO) to be responsible for monitoring and coordinating the activities associated with the entire facilities project, and sub-projects.

This request would establish one central functional area at DTS, an FPO, responsible for the following, over the next 3 - 5 years:

- Acquire new facilities.
- Plan new leases to minimize duplicate rents.
- Move staff and equipment to the new facilities.
- Oversee the implementation of new processes and procedures to remotely manage a Central Valley facility.
- Coordinate all facility related projects.
- Vacate four existing DTS leases.
- Oversee the recruitment activities for the Central Valley facility.
- Coordinate these efforts with DTS' disaster recovery projects and other DTS projects to ensure the appropriate alignment with DTS' long term facility plans.



## **Recommendation**

Establish an FPO staffed with a combination of redirected staff, new state staff, and consultant staff. This alternative has a moderate cost, is consistent with state laws and policies, and would address the current needs at DTS. It could also be implemented without adversely affecting the existing project schedules and would decrease the risk of not being able to vacate the Cannery Campus in a timely manner.



## 2008/09 Budget Change Proposals

### Action Item

Recommendation: Approve Budget Change Proposal #8  
for eServices Staffing

### Background

The State has the responsibility to deliver essential services to the citizens of California. In carrying out this responsibility the State's websites are providing more online services to the public. The State is establishing a common website infrastructure that all departments can use to support their Internet presence and be able to deliver these essential services more effectively. Over the past couple of years, the State's websites have become more usable, informative and easier to navigate. To continue this momentum and to keep existing websites current, we need to permanently establish the eServices Office.

The DTS is requesting an increase in expenditure authority of \$323,000 for FY 2008/09 in order to permanently establish positions to support the State's eServices function. Previously the positions supporting the State's eServices function were on loan from other state agencies. This request officially establishes the positions as part of the State's Office of eServices.

The Department of Technology Services (DTS) is an internal service fund (special fund) department. The department operates from the DTS Revolving Fund and has little or no impact upon the General Fund. Spending authority is approved annually for the operation of DTS and then we are required to fully recover those costs through billing the customers for their usage of services at our published rates.

### Discussion

In September 2000, the Governor issued an Executive Order (EO) indicating the State would work with public and private entities to establish a common website infrastructure for the State and its departments, called the "State Portal". The State Portal was developed by private entities and implemented in 2001.

Shortly thereafter, development, support and maintenance of the Portal were all but eliminated due to severe budget shortfalls. This indefinitely curtailed creation of a



“Business Owner” for the State Portal. Consequently, the Portal’s next five (5) years were characterized by stagnation, no new users, no new applications, and diminishing relevance to the State.

In August 2006, these issues were addressed when the State Chief Information Officer (CIO) and the State and Consumer Services Agency (SCSA) created the eServices Office. Intended as a “portal business owner” proof of concept, eServices was staffed by three (3) employees loaned from the Employment Development Department, the Department of Motor Vehicles, and the Department of Alcohol and Drug Programs.

California's portal is the gateway through which all citizens, businesses, and employees can access information and services. It is the 'single window' to government, providing information and services in ways that are familiar and inviting to all. It is easy to navigate, and it allows individuals to find what they are looking for, when they want it.

The eServices Office leads initiatives to enhance electronic service delivery on the State Portal. The eServices Director is responsible for managing and supporting the growth of California’s eServices, including acting as a liaison between state agencies and departments. The Office was specifically created to:

- Provide direction for and oversee the ongoing development of the Portal
- Provide leadership in statewide policy regarding the Portal
- Provide a user-friendly gateway for citizens, businesses and visitors to access government services
- Develop e-solutions that streamline government processes
- Position California as a leader in e-government

Since 2006, eServices and the DTS have significantly revamped and updated the Portal’s appearance and function. They worked closely with the newly created State Webmaster User Group to create a new look and feel, enhance the usability, and installed a new search engine (Google).

Towards the end of the fiscal year, the departments that loaned staff to eServices, requested that their staff be returned effective July 2007. The eServices work, however, is ongoing and needs to continue. To address this, DTS received approval to administratively establish three (3) positions for the eServices Office until June 30, 2008, and to establish these positions on a permanent basis in the following fiscal year through this Budget Change Proposal (BCP) cycle.



## Recommendation

To permanently establish a Data Processing Manager III, a Software Systems Specialist III, and a Staff Information Systems Analyst (Specialist) for the eServices Office.